Supply Systems (UPS). To serve the customers better, the Bank has introduced the Single Window Service at several branches in twin cities of Hyderabad and Secunderabad under which the customer needs are met at single point. The Bank has also introduced free of cost services such as ATM Cards, Internet Banking, Tele Banking facility to provide 24X7 days. Banking to all its customers at many of its Fully Computerised Branches (FCBs) in twin cities with an aim to serve the customer at his door step. The Bank also proposes to network all its fully computerised branches in near future to enable the customer transact in his accounts from any of the networked FCBs.

Disparity in interest rate on housing loans

2694. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that all the nationalised banks, including State Bank of India and Central Bank of India are charging more than 11.5 per cent interest rate for House Building Loans and concessions is given to only employees of their banks whereas some of the banks have already reduced the interest on housing loans to 9.5 per cent;

(b) if so, the reasons for such a big disparity in housing loan interest rates of various banks;

(c) whether Government propose to rationalise the interest rates on housing loans;

(d) if so, details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Information has been furnished by Central Bank of India and State Bank of India that house building loans to staff members of the banks are governed by the Central Government guidelines as a part of service conditions. The rate of interest chargeable in respect of loans availed is upto Rs. 1.10 lakhs—5 per cent , over Rs. 1.10 lakhs but upto Rs. 5 lakhs—10 per

cent (simple) and over Rs. 5 lakhs at 11 per cent (simple). The housing loans to general public are governed by the schemes being formulated by individual banks having regard to the competition amongst the financial institutions. Direct housing finance scheme of the Central Bank of India and State Bank of India for the general public carries interest as under:—

Period	Rate of interest per annum (%)			
	Central Bank of India		State Bank of India	
	Fixed	Floating	Fixed	Floating
Upto 5 yrs.	8.75	8.50	—	—
Above 5 yrs.	9.25	9.00	9.25	9.00
Upto 10 yrs.				
Above 10 yrs.	10.00	9.50	9.75	9.50

(c) to (e) Commercial banks have been given freedom to decide their lending rates for credit limits over Rs. 2 lakhs since October, 1994. In April, 2001 Monetary and Credit Policy, Prime Lending Rate (PLR) was converted into a reference or benchmark rate so that banks are now free to lend at a sub-PLR rate to creditworthy borrowers including public enterprises on the lines of a transparent and objective policy approved by their Boards. Therefore, banks have the flexibility to reduce rate on home loans under the extant guidelines on lending rates.

With a view to further improve the flow of credit to housing sector, in the recently announced Monetary & Credit Policy for the year 2002-03 RBI proposes to liberalise prudential requirements for housing finance by banks and encourage investment by banks in securitised debt instruments of Housing Finance Companies Accordingly.

(a) the term loans extended by banks to intermediary agencies against the loans sanctioned by them have been allowed to be reckoned as part of housing finance. Also investment in bonds issued by HUDCO and NHB exclusively for financing of housing is being reckoned for priority sector targets.

(b) Banks extending loans against residential housing properties would be required to assign risk weight of 50 per cent instead of present 100 per cent.

(c) Investments made by banks in Mortgage Backed Securities (MBS) of residential assets by housing finance companies which are recognised and supervised by NHB, would also be assigned a risk weight of 50 per cent for the purpose of capital adequacy.

(d) Investments by banks in MBS issued by the housing finance companies supervised by National Housing Bank will be reckoned for inclusion in the prescribed housing finance allocation of 3 per cent.

NPAs of banks and financial institutions

2695. SHRI DINA NATH MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what is the total amount of NPAs in the Indian Financial System as per data available with Government;

(b) how far the Securitisation and reconstruction of Financial Assets and Enforcement of Security Interest Act is proving useful in speedy recovery of loans; and

(c) how much amount, in absolute terms, has been recovered from defaulting borrowers after the abovesaid Act came into force?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) The total amount of Non-Performing Assets (NPAs) of scheduled commercial banks and financial institutions (*viz.* IDBI, IIBI, EXIM Bank, IFCI Ltd., SIDBI, TFCI Ltd.) as on March 31, 2002 were Rs. 70,904 crores & Rs. 22,522 crore, respectively.

(b) and (c) Government of India has advised the Public Sector Banks and Financial Institutions to take action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and report the compliance to the Reserve Bank of India. As on 31st December